

**LOUISIANA CENTER AGAINST POVERTY, INC.**  
**MONROE, LOUISIANA**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
WITH SUPPLEMENTAL INFORMATION  
As of And for The Year Ended June 30, 2010**

**BY**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/16/11

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**MONROE, LOUISIANA**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
WITH SUPPLEMENTAL INFORMATION  
As of And for The Year Ended June 30, 2010**

**LOUISIANA CENTER AGAINST POVERTY, INC.**  
**Monroe, Louisiana**

**Financial Statements  
and Independent Auditor's Report  
with Supplemental Information  
As of and for the Year Ended June 30, 2010**

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### Independent Auditor's Report

To the Board of Directors of  
Louisiana Center Against Poverty, Inc.  
Monroe, Louisiana

I have audited the accompanying statement of financial position of Louisiana Center Against Poverty, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Louisiana Center Against Poverty, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Center Against Poverty, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 24, 2010 on my consideration of Louisiana Center Against Poverty, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of Louisiana Center Against Poverty, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of

**Louisiana Center Against Poverty, Inc.  
Independent Accountant's Report (Continued)**

Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Rosic D. Harper  
Certified Public Accountant

Monroe, Louisiana  
November 24, 2010

## **FINANCIAL STATEMENTS**

LOUISIANA CENTER AGAINST POVERTY, INC.  
Statement of Financial Position  
June 30, 2010

Statement A

**Assets**

Cash and Cash Equivalents	\$ 15,937
Grants and Contracts Receivable	16,744
Property, Furniture, and Equipment, (Net, Note E)	<u>24,624</u>
Total Assets	<u><u>57,305</u></u>

**Liabilities and Net Assets**

Liabilities:

Accrued Liabilities	<u>37,007</u>
Total Liabilities	<u><u>37,007</u></u>

Net Assets:

Temporarily Restricted	<u>20,298</u>
Total Temporarily Restricted	<u><u>20,298</u></u>
Total Net Assets	<u><u>20,298</u></u>
Total Liabilities and Net Assets	<u><u>\$ 57,305</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.

LOUISIANA CENTER AGAINST POVERTY, INC.  
Statement of Activities  
For the Year Ended  
June 30, 2010

Statement B

**UNRESTRICTED NET ASSETS**

**Support**

Other Income	\$ 1,636
Total Support	<u>1,636</u>

**Net Assets Released from Restrictions**

Restrictions Satisfied by Payments	<u>625,750</u>
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	<u>627,386</u>

**Expenses**

General and Administrative Expenses	244,406
Program Expense	<u>381,344</u>
Total Expenses	<u>625,750</u>
Change in Unrestricted Net Assets	<u>1,636</u>

**TEMPORARILY RESTRICTED NET ASSETS**

Grants and Contracts	
Federal	468,488
State	135,750
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	<u>(625,750)</u>
Change in Temporarily Restricted Net Assets	<u>(21,512)</u>
Change in Net Assets	(19,876)
Net Assets as of Beginning of Year	<u>22,797</u>
Other Changes in Net Assets	
Prior Period Adjustment	<u>17,377</u>
Total Other Changes in Net Assets	<u>17,377</u>
Net Assets as of End of Year	<u><u>\$ 20,298</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.



LOUISIANA CENTER AGAINST POVERTY, INC.  
Statement of Functional Expenses  
For the Year Ended  
June 30, 2010

Statement C

	<b>General and Administrative</b>	<b>Program Services</b>	<b>Total Expenses</b>
<b>Personnel Costs</b>			
Salaries and Wages	\$ 193,331	\$ 135,967	\$ 329,298
Payroll Taxes and Other Fringe Benefits	12,223	16,879	29,102
<b>Total Personnel Costs</b>	<u>205,554</u>	<u>152,846</u>	<u>358,400</u>
<b>Other Expenses</b>			
Accounting and Auditing	952	1,315	2,267
Activity Fees	-	1,122	1,122
After School Food and Snacks	-	19,562	19,562
Automobile Expense	966	3,233	4,199
Bank Service Charges	211	-	211
Consultant Fees	-	8,250	8,250
Coordinators and Monitors	-	7,060	7,060
Counselors, Speakers, and Others	-	23,376	23,376
Depreciation	7,270	10,039	17,309
Instructional Material and Supplies	-	18,152	18,152
Insurance	5,273	7,282	12,555
Maintenance and Repairs	684	435	1,119
Office Expenses and Supplies	3,515	3,682	7,197
Operating Costs	885	2,740	3,625
Printing	344	475	819
Rent Expense, Facilities and Office	11,760	16,240	28,000
Teachers	-	95,880	95,880
Telephone	2,703	3,732	6,435
Travel and Mileage	1,936	2,674	4,610
Utilities	2,353	3,249	5,602
<b>Total Other Expenses</b>	<u>38,852</u>	<u>228,498</u>	<u>267,350</u>
<b>Total Functional Expenses</b>	<u>\$ 244,406</u>	<u>\$ 381,344</u>	<u>\$ 625,750</u>

See Accompanying Auditor's Report and Notes to Financial Statement.

LOUISIANA CENTER AGAINST POVERTY, INC.  
Statement of Cash Flows  
For the Year Ended  
June 30, 2010

<b>Operating Activities</b>	<u><b>All Funds</b></u>
Change in Net Assets	\$ (19,876)
Adjustments to Reconcile Change in Net Assets to Net	
Cash Provided by Operating Activities:	
Provision for Depreciation	17,309
Increase in Grant Receivables	(7,685)
Increase in Accounts Payable/Accrued Liabilities	(7,082)
Total Adjustments	<u>2,542</u>
Net Cash Provided by Operating Activities	<u>(17,334)</u>
 Net Increase in Cash and Cash Equivalents	 (17,334)
Cash and Cash Equivalents as of Beginning of Year	<u>15,894</u>
 Other Changes in Cash	
Prior Period Adjustments	<u>17,377</u>
Total Other Changes in Cash	<u>17,377</u>
 Cash and Cash Equivalents as of the End of Year	 <u><u>\$ 15,937</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.

**Louisiana Center Against Poverty, Inc.  
Monroe, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2010**

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Louisiana Center Against Poverty, Inc. is a nonprofit corporation, organized to implement comprehensive programs addressing economic, education, and health problems in the parishes of Concordia, East Carroll, Madison, Ouachita, and Tensas. The organization's primary focus is counseling, mentoring and tutoring youth, in the area, concerning alcohol and drug abuse prevention, clothing and feeding, healthcare planning and prevention, job creation and economic development, and introduction and exposure to new and existing technologies.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

For the period ended June 30, 2010, the Organization followed the provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

**Revenue Recognition**

In order to comply with restrictions, which donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consists mainly of federal, state and private grants, fundraising, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors has discretionary control have been included in the General Fund.

**Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Louisiana Center Against Poverty, Inc.**  
**Notes to the Financial Statements (Continued)**

**Support and Revenue**

The organization is funded substantially through state contracts and grants on an annual basis. The organization recognizes revenue, from contracts and grants, on pro-rata basis as predetermined by the funding agencies. Contract and grant support are recognized as unrestricted since expenditure for purpose occurs during the contract and grant period.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Carrying values approximates fair value because of short term maturities of the financial instruments.

**Contributed Services**

The organization receives significant services donated by members from the various communities it serves in conducting its programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made.

**Property, Furniture, and Equipment**

The Organization records donations of property, furniture and equipment as support at their fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Assets purchased by the Organization are recorded at costs.

The organization record, at cost, purchases of property and equipment in excess of \$5,000 as fixed assets. Donations of property and equipment are recorded at fair market value at the time of donation. Depreciation is calculated on the straight line method over the useful lives of its respective assets.

Automobiles	5 Years
Computer Equipment	5 Years
Equipment	8 Years
Office Furniture	8 Years

**Income Taxes**

The organization is a nonprofit corporation, exempt under section 501 (c) (3) of the internal revenue code and did not conduct unrelated business activities. Therefore, no provision for corporate income taxes has been included in the financial statements.

**Louisiana Center Against Poverty, Inc.**  
**Notes to the Financial Statements (Continued)**

**NOTE B. CONTRACT/GRANT AWARDS**

Louisiana Center Against Poverty, Inc. was funded as received funds through the following agencies by contracts and grant awards for June 30, 2010 as follows:

<b>Funding Department</b>	<b>Funding Period</b>	<b>Contract Grant Amount</b>	<b>Revenue &amp; Support Recognized During Fiscal Year 06/30/09</b>
State of Louisiana:			
Department of Treasury	07/01/08 to 06/30/09	\$ 171,475	\$ 171,475
Office of Addictive Disorders	07/01/08 to 06/30/09	127,600	127,600
TANF-ASFA-11 months	10/01/07 to 08/31/08	263,395	67,632
Louisiana Department of Social Services/FPP	03/01/08 to 02/28/09	179,998	88,976
Louisiana Department of Social Services/FPP	03/01/09 to 06/30/09	65,121	64,821
Total Contracts and Grants			<u>\$ 520,504</u>

**NOTE C. CASH AND CASH EQUIVALENTS**

For the period ended June 30, 2010, the Organization had the following cash and no cash equivalents:

Temporarily Restricted	
Checking	\$ 15,937
Total	<u>\$ 15,937</u>

**NOTE D. CONTRACT/ GRANT RECEIVABLES**

For the period ended June 30, 2010, the Organization had the following contract/grant receivables from the state of Louisiana:

Department of Social Services	\$ 16,744
Total	<u>\$ 16,744</u>

**NOTE E. PROPERTY, PLANT, AND EQUIPMENT**

A summary of changes in property, plant and equipment for the year ended June 30, 2010 is as follows:

	<b>Balance @ 07/01/09</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance @ 06/30/10</b>
Automobiles	\$ 119,059	\$ -	\$ -	\$ 119,059
Computer Equipment	23,987	-	-	23,987
Furniture	2,308	-	-	2,308
Equipment	13,917	-	-	13,917
Depreciation	(117,338)	(17,309)	-	(134,647)
Total	<u>\$ 41,933</u>	<u>\$ (17,309)</u>	<u>\$ -</u>	<u>\$ 24,624</u>

**Louisiana Center Against Poverty, Inc.**  
**Notes to the Financial Statements (Continued)**

**NOTE F. ACCRUED LIABILITIES**

For the period ended June 30, 2010, the Organization had the following accrued liabilities:

Accounts Payable	\$ 1,700
Payroll Liabilities	<u>35,307</u>
Total Liabilities	<u>\$ 37,007</u>

**NOTE G. DESCRIPTION OF LEASING ARRANGEMENTS**

For the year ended June 30, 2010, the facility used for office space was leased under a short-term arrangement.

**NOTE H. FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis on the statement of activities. Accordingly, certain costs have been allocated among the programs supporting services benefited.

**NOTE I. RELATED PARTIES**

Carolyn Hunt serves as the Executive Director of the agency, and her spouse, Danny Hunt is employed as the bookkeeper. The Board of Directors approved the appointment of the Executive Director and the bookkeeper.

**NOTE J. PRIOR PERIOD ADJUSTMENT**

For the year ended June 30, 2010, the Organization had a prior period adjustment of \$17,377 from an understatement of income.

**NOTE K. CONCENTRATION OF RISK**

For the year ended June 30, 2010, the Louisiana Center Against Poverty, Inc. was subject to significant concentration risks due to the fact that over ninety-seven percent (97%) of its funding consisted of contracts and grants received from the State of Louisiana.



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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

To: The Board of Directors  
Louisiana Center Against Poverty, Inc.  
Monroe, Louisiana

I have audited the financial statements of Louisiana Center Against Poverty, Inc. (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued my report thereon dated November 24, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered Louisiana Center Against Poverty, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Center Against Poverty, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

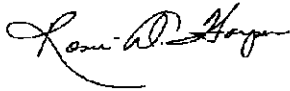
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Louisiana Center Against Poverty, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an

**Louisiana Center Against Poverty, Inc.**  
**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based**  
**on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***  
**(Continued)**

opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rosie D. Harper  
Certified Public Accountant

Monroe, Louisiana  
November 24, 2010



## **SUPPLEMENTAL INFORMATION**

LOUISIANA CENTER AGAINST POVERTY, INC.  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2010

Schedule 1

SOURCE OF FEDERAL ASSISTANCE AGENCY	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
<b>UNITED STATES DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>		
Temporary Assistance for Needy Families (TANF) Passed through the State of Louisiana Department of Education ( Major )	93.558	\$ 270,000
Temporary Assistance for Needy Families (TANF) Passed through the State of Louisiana Department of Social Services ( Major )	93.558	59,528
Passed through the State of Louisiana Department of Health and Hospitals ( Non-Major )	93.959	138,960
<b>Total United States Department of Health &amp; Human Services</b>		<b>\$ 468,488</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 468,488</b>

LOUISIANA CENTER AGAINST POVERTY, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Center Against Poverty, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

See Accompanying Auditor's Report and Notes to Financial Statements.